Worst Sweatshop in the World: Where DGC and KKR's Profits

Tuesday, August 10, 2010

See the detail report: An investigation of suppliers of Dollar General

As most people know,**Dollar General Corporation** (DGC) is as one of the biggest retailers in the U.S., and **Kohlberg Kravis & Roberts** (KKR) is the major investor of DGC. However, what many people may not know is that employees working for the world's biggest brand are doing their jobs in conditions with lowest health and safety standard, and getting lowest pay.

Between February and June 2010, China Labor Watch (CLW), a New York-based NGO, randomly selected four of DGC's suppliers in China and conducted investigations. Three factories were identified as DGC's suppliers according to U.S. Customs records, and one factory openly indicates on its website as a DGC's authorized supplier. The plants under investigations included Keen League Manufacturing Limited, Mastercraft International Limited, Yiu Yi Plastic & Mould Col, Ltd., and Hong Da Electronics Factory.

According to the investigation, DGC's suppliers in China have the worst labor condition performance compared with all major U.S. retailers. Workers do not have access to basic protections from chemical hazard and work injures. During peak seasons, employees work averagely 300 hours per month, including excessive mandatory overtime hours. The accumulative monthly overtime hours far exceeds the maximum of 432 hours per year allowed by China's labor law. The regular hourly salary is about 76 cents (or $130 per month, from which at least $40 will be deducted by the factories for dining fee and dormitory fee. Workers actually get paid about $90 per month, or $0.51 per hour), with occasions that overtime hours are not paid at all. In at least one factory under investigation, workers are paid for lying to inspectors.

The simple fact is that DGC and KKR can afford to compensate the workers better. In fiscal 2009, the total sales of DGC were about $11.8 billion and the gross profit was about 3.7 billion. The majority of the profit finally went to KKR. CLW Executive Director Li Qiang states that, the profit-driven polices of DCG and KKR are worsening the working conditions in their supplier factories; these corporations should respect workers' legal rights and take responsibility to improve the working conditions in their supply chain.

For more information, please contact Li Qiang at (212)244-4049

China Labor Watch | 147 W 35 St, Ste 406, NYC, NY 10001
+1-212-244-4049 | clw@chinalaborwatch.org